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52 VANDERBILT AVENUE

NEW YORK, N. Y. 10017

14163

REGISTRATION NO. 14163

SEP 19 1983 12 30 PM

INTERSTATE COMMERCE COMMISSION

3-262A068

1750 K STREET, N.W.

WASHINGTON, D.C. 20006

(202) 785-4949

CABLES: CALAMIT, WASHINGTON

TWX 710-822-9285

22 GROSVENOR SQUARE

LONDON W1X 0DY

01 491 4805

TELEX: 23459

DE LAIRESSESTRAAT 127

1075 HJ AMSTERDAM

(020) 767781

CABLES: CALAMIT, AMSTERDAM

TELEX: 15123

EDWARD G. BEIMFOHR

EDWARD C. CERNY III

R. LEIGH DUEMLER

WILLIAM H. FORSYTH, JR.

JAMES P. JALIL

WILLIAM JORDAN, JR.

WILLIAM E. KELLY

DAVID A. MANDEL

JOHN W. MCGRATH

KEITH M. MOFFAT

DAVID ORLIN

MARVIN B. TEPPER

LEO S. ULLMAN

ALAN R. WENTZEL

ROBERT J. WOODY\*

\*ADMITTED IN D.C. AND KANSAS ONLY

CLAUS MOTULSKY

COUNSEL

September 16, 1983

No.

Date

Fee \$

ICC, Washington, D. C.

Agatha L. Merdenovich,  
Secretary  
Interstate Commerce Commission  
12th & Constitution, N.W.  
Washington, D.C. 20423

Attention: Mildred Lee -- Room 2303

Dear Secretary:

As counsel to Central States Equipment Company, I have enclosed an original and one copy of the document described below to be recorded pursuant to section 11303 of title 49 of the U.S. Code.

This document is a conditional sale agreement, a primary document, dated June 10, 1983.

The names and addresses of the parties to the document are as follows:

Vendor: Central States Equipment Company  
c/o Condren, Walker & Co., Incorporated  
9 West 57th Street  
New York, New York 10019

Vendee: Iowa Railroad Company  
P.O. Box 10355  
Des Moines, Iowa 50306

Lorraine C. Gibson  
Counsel

RECEIVED  
SEP 18 2 16 PM '83  
FEE OPERATION BR.  
T.O.C.

follows: A description of the equipment covered by the document

Five (5) U-30 B 3,000 horsepower diesel locomotives bearing the following unit numbers and engine serial numbers:

<u>Unit Number</u>	<u>Serial Number</u>
20	6606R
21	187407R
22	235611R
24	790301
25	781008

follows: A short summary of the document to appear in the index

Conditional sale agreement covering five U-30 B 3,000 horsepower diesel locomotives.

A fee of \$50.00 is enclosed. Please return the original of the enclosed Agreement to the undersigned or the person delivering this letter.

Very truly yours,

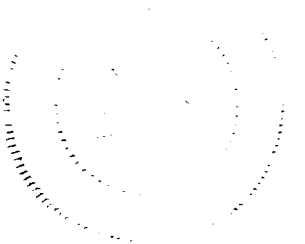
  
R. Leigh Duemler

RLD/lt  
Enclosures

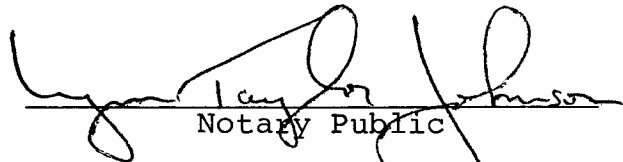
CERTIFICATE

The undersigned, a Notary Public of the State of New York, has compared the copy of the Agreement, dated June 10, 1983 between Central States Equipment Company and Iowa Railroad Company, annexed hereto with the original thereof and has found said copy to be complete and identical in all respects to the original document.

IN WITNESS WHEREOF I have signed this Certificate on September 16, 1983.



[Seal]

  
Notary Public

**LYNN TAYLOR JOHNSON**  
Notary Public, State of New York  
No. 43-4509988  
Qualified in Richmond County  
Certificate filed in New York County  
Commission Expires March 30, 19 **85**

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## AGREEMENT

INTERSTATE COMMERCE COMMISSION

THIS AGREEMENT is made at Des Moines, Iowa, this 10th day of June, 1983, by and between Central States Equipment Company, a New York limited partnership (hereafter called "Central States") and Iowa Railroad Company, an Iowa corporation (hereafter called "IRRC").

Recitals

1. The parties have previously entered into one certain Locomotive Lease Agreement dated May 1, 1982, for the lease of five locomotives;

2. Disputes have arisen between the parties over responsibilities of maintenance of certain locomotives and over the payment of rentals pursuant to the lease;

3. The parties desire to settle their disputes;

4. Central States desires to sell the locomotives which are the subject of the lease, and IRRC desires to purchase same.

## IT IS THEREFORE AGREED:

1. Units. Central States shall sell and IRRC shall purchase the following locomotive units subject to the conditions of this agreement:

<u>Unit Number</u>	<u>Engine Serial Number</u>	<u>Type</u>	<u>Horsepower</u>
- 20	6606R	U-30B	3000
21	187407R	U-30B	3000
- 22	235611R	U-30B	3000
24	790301	U-30B	3000
- 25	781008	U-30B	3000

2. Price. The total price to be paid to Central States by IRRC is \$130,000.00, to be paid as follows:

(a) Central States shall retain the sum of \$15,000.00 (plus any accrued interest earned thereon) now in its possession, which amount had represented a security deposit for the lease; and

(b) IRRC shall pay to Central States \$25,000.00 upon the execution and delivery of this agreement to IRRC, said payment to be made by cashiers check, money order, check or other form of negotiable payment; and

(c) The balance of \$90,000.00 shall be paid by IRRC in

eighteen (18) equal installments of \$5,000.00 each, the first of said payments to be made on July 1, 1983, and the remainder of the payments to be made on the first day of each subsequent month thereafter until the balance is paid in full. There shall be no interest paid or payable on any of the monthly installments.

3. Warranty of Ownership and Merchantability. Central States hereby warrants that it has good, lawful and merchantable title to each of the units described in paragraph one (1) of this Agreement and that it has the absolute and lawful right to sell same to IRRC free and clear of all claims, liens, encumbrances and rights of others of any nature arising by or through Central States. The warranties contained in this paragraph three (3) shall survive the closing of this Agreement.

4. Security Interest. IRRC hereby grants to Central States a security interest in each of the units described in paragraph one (1) of this Agreement to secure the performance of the IRRC under this Agreement. IRRC agrees that it will not sell, lease, dispose or permit any encumbrance upon any of the secured units; provided, however, that in the event IRRC does sell any unit, the net proceeds of any such sale shall be applied to the balance owed to Central States upon the closing of such sale. IRRC agrees to keep each secured unit insured and to name Central States as a loss payee for each secured unit. IRRC agrees to execute such additional documents as may be required by Central States to perfect this security interest in said units.

5. Termination of Security Interest. Upon receipt of the sum of \$25,000.00 required to be paid by paragraph 2(b) of this agreement, Central States shall release and terminate its security interest in Unit 24. Thereafter, for each five payments (\$25,000.00) received by Central States, Central States shall release and terminate its security interest in one unit, said unit to be specifically designated by IRRC.

6. Bill of Sale. At the time of each termination and release of security interest pursuant to paragraph five, Central States shall tender to IRRC a properly executed and legally

sufficient bill of sale for the unit involved, after which Central States shall have no further right, claim, interest or title to such unit.

7. Rental. The parties hereby agree that the total due from IRRC to Central States for the remaining rentals on all five units pursuant to the lease is \$1840.00, and IRRC hereby agrees to pay said amount on or before July 1, 1983.

8. Repair Disputes. Any and all costs of repairs on the units, whether past, present or future, shall be borne solely by IRRC, and the parties hereby release any claims to the contrary.

9. Lease Superseded. Upon the execution of this Agreement by both parties, the lease between the parties and its terms and conditions shall be superseded in its entirety and held a nullity.

10. Authority. This Agreement has been executed by the proper officers and/or partners of each party hereto, and each such signatory has obtained such authorization as is required to bind the party to the terms, conditions and covenants herein contained.

11. Notice. Notice to IRRC shall be sent by certified mail to:

Iowa Railroad Company  
P.O. Box 10355  
Des Moines, Iowa 50306  
Attention: Gene Schwab

Notice to Central States shall be sent by certified mail to:

Central States Equipment Company  
20 Grist Mill Lane  
Manhasset, NY 11030  
Attention: William J. Condren

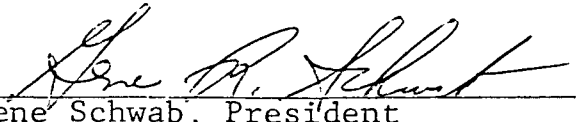
12. Complete Agreement. This Agreement is an Iowa contract to be governed by the laws of that State and sets forth the complete and entire agreement of the parties. No modifications shall be effective unless contained in a written agreement executed by both of the parties. This Agreement shall be binding upon the successors and assigns of the parties.

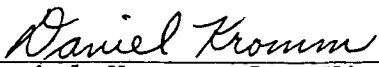
Executed in duplicate the date first above written.

CENTRAL STATES EQUIPMENT COMPANY

By   
William J. Condren, General Partner

IOWA RAILROAD COMPANY

By   
Gene Schwab, President

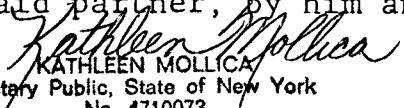
By   
Daniel Kromm, Sr. Vice President

STATE OF NEW YORK

SS:

COUNTY OF NEW YORK

On this 9<sup>th</sup> day of August, 1983, before me, the undersigned, a Notary Public in and for said county and state personally appeared William J. Condren, to me personally known, who being by me duly sworn, did say that he is a member of the Partnership of Central States Equipment Company executing the within and foregoing instrument and acknowledged that he executed the same as the voluntary act and deed of said partner, by him and by said partnership voluntarily executed.

  
KATHLEEN MOLLIKA  
Notary Public, State of New York  
No. 4710073

Qualified in Kings County

~~Commission Expires March 30, 1987~~ 4/8/87

Notary Public in and for the State  
of New York

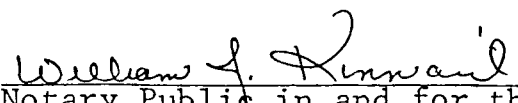
My Commission Expires March 30, 1984

STATE OF IOWA

SS:

COUNTY OF POLK

On this 10 day of JUNE, 1983, before me, the undersigned Notary Public in and for said county and state, personally appeared Gene Schwab and Daniel Kromm, to me personally known, who being by me duly sworn did say that they are the President and Senior Vice President, respectively, of said corporation executing the within and foregoing instrument; that said instrument was signed on behalf of said corporation by authority of its Board of Directors; and that the said Gene Schwab and Daniel Kromm, as such officers, acknowledged the execution of said instrument to be the voluntary act and deed of said corporation, by it and by them voluntarily executed.

  
Notary Public in and for the State  
of Iowa

My Commission Expires September 8, 1985